From the Horse’s Mouth: Intrepid Conversation with Phil Fersht | Season 1

Episode 6: New Wave - Tom Davenport, President’s Distinguished Professor of Information Technology and Management at Babson College & Ian Barkin, Entrepreneur, Investor, LinkedIn Learning Instructor, 4x Founder, and Advocate of the 'worker of the future'.

00:41 Phil Fersht

Welcome to another edition of Horse's Mouth. By this point, you're all familiar with me, Phil Fersht. Joining me today are two esteemed guests: Ian Barkin and Professor Tom Davenport. You've both been in and around the world of emerging technology and services for a very long time. Could you give us a very quick lowdown on what you guys are doing today?

01:10 Ian Barkin

Absolutely. Tom, you want to go first?

01:13 Tom Davenport

Go for it. Go for it.

01:15 Ian Barkin

Okay, I will go first. Yes, Phil, we've crossed paths and been on the same path for well over a decade, as you know.

Ultimately, it was leveraging the innovation of global talent to help enterprises operate more efficiently, often tapping into arbitrage and using other platform-level innovation. But then 10 years ago, we started to get excited about digitizing and emulating the work those people were doing. We called it robotic process automation. I had the privilege of having a front-row seat to that adventure and set up and ran one of the RPA consultancies.

After selling that, I continued my passion and ongoing learning into the broader scope of tech and this trend of it tending to get easier and therefore democratizing the use of it. That brought Tom and me together to have a great deal of fun over the last year and a half, two years. I'll speak for myself—I had a great deal of fun. Tom may have really despised the whole thing, but that's me.

02:27 Tom Davenport

Most of the time, it was fun.

I'm Tom Davenport. I'm a professor, right now mostly at Babson College, but a visiting professor at UVA Darden School, a fellow of the MIT Initiative on the Digital Economy, and a Deloitte senior advisor. I have, for a long time, focused on how people use analytics, big data, AI, and was very interested in the whole democratization issue. I have less background in the automation space than Ian, more in the data science space, so we complemented each other well in that regard, and we were fortunate enough to write this book together.

03:28 Phil Fersht

Well, Tom, it all goes back to data, however much shiny technology we want to throw at this stuff. It's all about bringing our data together, right? But tell me about this book you've just released, “All Hands on Tech”. I love the title. But why should we read this, guys?

03:48 Ian Barkin

Why shouldn't you read it? It is both good and good for you.

03:53 Tom Davenport

Well, it's about citizen development, but it does not have to do with voting, which is a topic that everybody is focused on at this moment. It's broader. I mean, citizen development is usually discussed in terms of application development, low-code, no-code kinds of stuff.

We certainly talk about that a lot, but we also go into citizen automation and citizen data science and try to, I think, strike a balance—Ian, correct me if you think I'm wrong—between being bullish about it but also realizing that organizations will have concerns about turning their technology over to their non-professionals. So, we spend a fair amount of time talking about how to make sure things don't go wrong. Although interestingly, we didn't find many—we talked to, what, I don't know, 50 companies—we didn't find any disaster stories really about citizen development. So maybe it's more caution than is necessary, but we know some organizations are very cautious about it.

05:03 Ian Barkin

Now, Phil, we set out to be students of this theme rather than cheerleaders of it. Many people out there who are listening to this who have a technical background, who run technical programs, are probably rolling their eyes because they equate citizen initiatives with technical debt and gray IT or shadow IT and pain.

But ultimately, what we were fascinated by was this digital arc of really powerful technical capabilities are just getting easier to use. No doubt, especially in the last two years because of generative AI and large language models, it's just easier to do things. As a result, it's enabling more and more people to get on this boat of turning ideas into action, whereas they might not have been able to in the past because they weren't Python developers, they weren't part of the IT group, they didn't have the—not only the permission but the ability—to build and solve problems that they had.

It's totally different now. So whether you have a positive or negative view of citizenry, the fact is this thing is happening. It's happening everywhere in every enterprise, every corner, nook, cranny of it.

06:20 Tom Davenport

It's everywhere. It cannot be avoided!

06:21 Ian Barkin

It's everywhere. It is truly viral. It has gone viral.

06:26 Tom Davenport

Resistance is futile!

06:30 Ian Barkin

Well, that's—it's sort of Borgian, yes, I suppose, without the cool face implants. But the gist really, and one of the key themes for us in the book, is, I mean, sort of ignore this at your own peril. You have passionate people who really do want to solve problems that they face every day, and the tools are meeting them in the middle, and they're there for them to use now. So, this is happening.

06:58 Phil Fersht

Right. How is citizen development or developmental citizenry, as you call it—a word I was not familiar with until just now—how can enterprises access this type of talent? Is it through some type of gig working platform? I mean, how do you bring these citizen developers to the demanding enterprises who need their help?

07:22 Ian Barkin

Right. Tom, I'm gonna take a crack, and then you can fix everything I say.

07:26 Tom Davenport

Sure.

07:28 Ian Barkin

We have a framework in the book that starts—obviously refers to governance and the fact that you need structures in place to coordinate and herd this initiative.

But the very first component of that framework is effectively its genesis, which is the birth of this. And our point really is it's already there. It's already born. So tapping into citizenry is simply looking within your enterprise and realizing there are people in your HR shared services department that have really struggled with how you're onboarding new employees and have of late started to innovate how they can make it easier, how they can close gaps, or how they can create apps, or how they can better analyze the data that they have available to them to build models and maps. So really, the gig is your folks internally. And that's much what we talked to. We don't speak about tapping into an external additional resource. I mean, you can—that's outsourcing or consulting—but this is all there. This exists in every enterprise today.

08:42 Tom Davenport

And we think in general that it should be a voluntary activity. We don't think you should necessarily press people into service of developing technology if they don't really want to, if they're not comfortable, if they're not interested and curious. But fortunately, there are enough people out there who are, in most organizations, willing and able to do this kind of work. And as Ian suggests, many of them are doing it already, and you just need to sort of guide it and institutionalize it and encourage it.

09:22 Ian Barkin

Right. The examples that informed that opinion, Phil, come from 10 years ago in the RPA space. When the early pitch was, "This is so easy, you can train up some people in your F&A back-office operations team to address a few process areas we identified, and off they go." Those people may have begrudgingly raised their hand, but they certainly weren't given the air cover or the extra time to do the RPA modeling, mapping, and digitization.

So, the forced march into citizenry is never one that ends well. But as Tom said, there are plenty of people who've got the ideas and the passion and genuinely want to be doing something.

10:08 Phil Fersht

Yeah. Well, the problem with RPA was it was still IT development, however you tried to mask it. Some of these applications required technology coding skills and experience. So, you were really going to the same people. You'd go to IT saying, "Hey, fix this for me. Be a hero, fix my automation." There were some process-only RPA products, but those struggled to be adopted. And a lot of it was because it got dumbed down too many layers down the enterprise. There wasn't enough passion and enthusiasm to be able to say, "Oh, let's go and fix our invoice processing today." Whereas where I'm going with this now is, you talked about Gen AI. The thing I like about Gen AI is it's helping people do their jobs better. It's not this massively disruptive tool like agentic—we'll get onto that later.

We, for example, at HFS are an analyst company, so we have a lot of tools at our disposal to help us do research. I'm sure you're familiar with this being an academic, Tom, as well. But we got our analysts together to present to each other how they're using—like one of our analysts uses 4o to literally take Excel flat file data from surveys.

And it churns them out into nice charts that you can manipulate, helps come up with some of the key findings that literally save days of work that can be done in very short amounts of time. And then we have other people using tools like Claude, Personify is another one I've seen out there, Perplexity.

And we're getting them to present it to each other to show what they're doing. And that had the breakthrough for us. Whereas I found, if you're just saying to everybody, "Use Gen AI, here's our corporate ChatGPT account," people just use it like Google, right? Is that really adding a ton of value? You're just getting a slightly more sophisticated or less sophisticated search engine in many cases. So how can enterprises who aren't doing this really succeed in terms of, "Hey, we're going to get people to use tools, we're going to give them the stuff to play with," but how do you actually get your team generally using it to enhance their jobs more effectively?

How do you get people to move from saying lots of nice things and doing a few searches to actually figuring out, "How can I use this to help me write this article or help me design a process or help me with some marketing ideas?" How do we actually move beyond the lip service?

12:49 Tom Davenport

Well, you know, there's some domain knowledge that needs to be harnessed in addition. I mean, you guys both are more familiar with workflow automation than I am, but I'm a process improvement-oriented person by background. And I think when people learn how to improve processes, whether it's Lean or Six Sigma or some other method like that, today it makes no sense for them not to also learn how to automate that process, at least if it's a relatively small process that doesn't involve thousands of people.

You need to know something about data analysis if you're going to do citizen data analysis and science. But if you know statistics, it's pretty easy to generate a machine learning model these days with automated machine learning tools. So, I think the combination of the domain knowledge and the relatively easy-to-learn technology knowledge is a very powerful one that a lot of people would qualify to do.

14:03 Ian Barkin

Totally agree. I do have to take issue with one thing Tom said. He said he is a process improvement individual. He was the process improvement individual. So check him out.

14:14 Tom Davenport

I was one of two big process re-engineering people, but the other one is dead, so I guess I'm still around.

14:26 Ian Barkin

That got dark quickly, but you win. No, and Phil, the interesting thing about RPA—I'll use that because that's my go-to constantly for reference—but the way that was understood by CIOs and CTOs that I used to work with is it enabled you to prototype the future state.

And so you weren't building a new ERP; you were gluing things together in ways that were more efficient. And now more so than ever, these Gen AI tools allow your teams to prototype what it is that they want to see and how things are done, right? And so, it could be automations in marketing. You could prod them to write more blog posts for you. Although one of the things that we do cover in the book that doesn't get a lot of coverage in most of the exploration of the citizen concept is the topic of incentivization.

And this is where RPA failed too, because you just said, "You have no free time and no extra pay; go use this automation and make your process more efficient." That never worked. And what we did discover is there is this whole trend of people who get good at automation, use it to digitize some of their work, don't tell their company, their employer, and go off and collect extra jobs just because why not? They're being creative, and if they did tell their job they were doing it, they'd get no extra pay, no bonus, no incentive, and probably they'd get pinged for it and reprimanded for doing things without permission.

16:05 Tom Davenport

Meanwhile these CEOs are making people come back into the office to prevent people holding multiple virtual jobs at once.

16:13 Ian Barkin

That's right. And it's a byproduct of that. So ultimately, you need to build the appropriate incentives to say, "You've got the domain knowledge. If you have the mindset and the temperament to want to challenge convention and help us design and help us create things, then please do. And thank you. And here's a way to encourage you to do that."

16:40 Phil Fersht

Yeah, I mean, it all sounds good, but how does this work in practice? What areas have you seen the early signs of success with citizenry? Where are we seeing staff encouraged to step up and contribute versus areas where it's still very much a seedling of an idea?

17:03 Tom Davenport

Should we talk about Shell, for example?

17:05 Ian Barkin

It's a great one.

17:08 Tom Davenport

A few years ago—I forget the exact time frame; it's in the book—the group CIO of Shell, a guy named Jay Crotts, said, "We need to digitize this business, and there simply are not enough IT resources to make it happen." So let's embark upon a more democratic approach. They didn't like the term "citizen development" because they thought that people would be taught how to vote or something like that. So they called it DIY.

He said, "Let's not do this on the cheap." He took a guy who was a vice president and said, "I want you to be in charge of this." And the guy said, "I'm really excited about that. I don't need to be a vice president." He said, "No, of course you need to be a vice president." They hired a staff. They started to educate people. They worked with Microsoft, as it turns out, both to get the data ready in Azure and also the Power Platform was just emerging as a tool, and that became their tool of choice. And they started to beat the bushes for volunteers. We found a guy named Stevie Sims who was—what did he say—turning valves for a living in a refinery in Louisiana.

And he started to do this. And now he's basically a citizen development coach for his part of the business. And they have several thousand people doing this work. It extended into data science. They trained a lot of their engineers in how to do citizen data science work and lots and lots of successful applications.

19:10 Ian Barkin

And because he’s probably listening, Stevie Sims is the guy. And he's one of the inspirational stories that sort of compelled us to explore this because there were individuals who had just a spark. He saw opportunity.

He took it upon himself. He then was a champion. He was a coach and a guide for others within the organization. And it spread pretty virally. Now, one of the things we found was the organizational culture created that substrate that sometimes better facilitated a spread of this. Shell's obviously an organization that's engineer-heavy, so you've got people who generally think a bit more engineering-wise and structured and analytical, and they approach things that way. So maybe that's a better substrate to plant this and have it grow.

20:05 Tom Davenport

But we also saw it in an advertising agency and in a passenger railroad company, which is only one of in the United States. So it was Amtrak. I mean, it can work in almost any kind of culture, I think.

20:22 Ian Barkin

Right. Again, any function, any department, any culture, any company. If you think there aren't people who understand what they do and want to do it differently and better, then you're not respecting the human resource that has been making companies tick since the beginning.

20:43 Phil Fersht

Yeah, you know, we talk a lot about a burning platform, and the big issue we've had with Gen AI since its inception a couple of years ago when GPT version 3 hit the streets has really been, where is the burning platform to drive adoption? This isn't like the internet in the '90s where if your business wasn't online, you were basically out of business, right? Now we're hearing about agentic AI as the next thing, the next wave of excitement, because now we can replace people with virtual people. And I'm like, you can't do this because ultimately, if you don't make real changes to your underlying infrastructure and data, just throwing more and more technology at problems—we've proven time and time again isn't the solution.

What I like about Gen AI and some of the things you're talking about is these are actual tools to improve what we do, make us smarter, slicker, better, and helps us with some technology design that we couldn't do before as non-technical people. But as we look at these next waves of solutions like agentic, are we just going through the same cycle over and over again? Here's the latest technology; let's throw it out there. Because you can't take advantage of these technologies without changing the underlying data infrastructure, processes, behavior that goes with it.

22:18 Ian Barkin

Yes. Tom and I have spent a lot of time together also exploring agentic and challenging what it is and what it isn't and what it hopes to be. Ultimately, I'll give you my take on it, which is it is a combination of the best capability sets available to us. Some of them happen to be some more of these esoteric and complex AI-driven algorithms. But at the end of the day, as you said, Phil, if you come from a process background, then you lean back on that heritage and you know that you need a foundation on which to apply and use any of this stuff. And that's around process, it's around guardrails, it's around policy, it's around change management. And that's also why we like that this book's coming out now because while people are now fascinated by this new wave of AI, agentics, fundamentally it's still a human story.

And agentics is only going to be successful, especially because it seems to be atomizing. Each small step of a process now can be done by a real specialist at that particular step. But it's the humans who know what it is they should actually be doing. And if you believe that those steps aren't going to change and cause some of those things to break over time, then you weren't involved in the last few waves of automation and enterprise work.

23:40 Phil Fersht

But we were involved in—I mean, we wrote the first analyst report in 2012 on RPA, and the sales proposition was simply sign up for a hundred bots, and hey, you might be able to replace a hundred people in time. And that's how you got companies to sign up to things because it was this promise of taking out headcount. And that's how outsourcing came about, right?

24:03 Tom Davenport

Usually off an outsourced headcount, right? That made it even easier.

24:09 Phil Fersht

Yeah, and the frustrations mounted when companies realized we're not taking out headcount because we're just taking away little pieces of people's jobs. We're not taking away people's entire jobs.

That was the big problem. And then the second problem was the technology couldn't do half the stuff the marketing promised it could do as well.

But now we get into—Gen AI was a bit more realistic in that we quickly realize this isn't just a headcount replacement opportunity; this is more of a—we can actually become more productive and more personalized and smarter at what we do. As we get into agentic, I just see a very similar neolithic mindset that we had with RPA, which is, you know, I can now buy the latest version of Salesforce or ServiceNow, whatever, and I've got agents plumbed in. I can now finally replace people with technology.

You can't. Now, if someone came up with some software and just said, "Hey, you can replace 100 headcounts with this," everyone would buy it in five minutes flat if it frickin' worked. I just think we're at the point where companies have got so jaded by this. It's like we can enhance people, we can create wonderful avatars, we can do all sorts of things.

But if we can't generally replace headcount, we ain't going there. Now, yeah, I can hark back a decade to our lovely phrase we mentioned earlier—I think Amelia, IPsoft.

That was like the first big digital agent. That was really agentic a decade ago. And part of the problem they had was they were trying to sell Amelia, I think, for like $18k per Amelia license per headcount a year. And most of the enterprises turned and said, "Look, I can just hire someone in the Philippines," which was the point.

Now we're at this point of everybody is jumping on this new wave. Normally, I'm an analyst; I love technology; I love looking at how we can make this technology work, this technology be effective, but I just don't see it. If companies generally can't look at the decades of debt they built up with their data, with their technology, with their skills, with their people, I just don't see the shift happening. I think it's a lot of noise that'll eventually be supplanted with the next wave of noise.

26:33 Ian Barkin

Well, I've got strong opinions about this. I'll give you some, which is, as you absolutely said, outsourcing in our heritage solved an enterprise problem by offering a solution, which was the work that you had done will continue to get done, but it will be done for less money and perhaps analyzed a little bit more than you were able to do yourself.

And with SLAs you couldn't necessarily hold your own team to. And then you move to automation, RPA specifically, where you were atomizing and fragmenting a process down and identifying 40% that could be automated, but not a congealed 40%. It was, you know, 5% here, 10% there, 5% later on. And that created that challenge to manage. The winning proposition is going to be the best of both worlds.

Right. The winning proposition is going to be an agentic business automation approach that incorporates all the right tools, including agentic, but also absolutely including RPA and, heck, Excel macros and whatever else gets the job done appropriately, but also...

27:39 Tom Davenport

And a few humans as well to sort of check it out and get it started and so on.

27:45 Ian Barkin

And also humans, absolutely. Yeah, because this does not work without humans. And so whether you call it a measure of fabric or a platform or anything else, the winners will be folks who are able to bring those together in a sensible way and allow you to adopt an outcome.

And get it done with whatever the right tools are at the time and orchestrate that and evolve it over time as you know LLMs become just that much more capable and start to hallucinate a little bit less and can be incorporated a little bit more. So that's the sort of partner you're looking for who understands the cool technology but also understands the challenge at hand.

28:19 Tom Davenport

Yeah, and I'm very much a believer in augmentation rather than large-scale automation. And that's really what we've seen in the vast majority of organizations so far with AI and the citizen activity. I think citizen development activities that we talk about are almost totally an augmentation or unit activity. I don't know. Did we encounter anybody, Ian, who said we laid off lots of people as a result of citizen development? I don't think so.

28:53 Ian Barkin

No, because again, it's tapping into those people who understand what good looks like for your internal customers, your external customers, is able to actually do it, whether it is data analysis and modeling or just gluing apps together.

And those people should be celebrated and given more remit to keep doing that because there is no shortage of work. And as you said, there's also no shortage of just messy data and chaos and spaghetti systems and legacy and everything else. And this is a way to address that because almost every single story that Tom and I found, one of the underlying components was we know we need to digitally transform. We also know we just don't have the bandwidth. We don't have enough IT team. We don't have enough time. We don't have enough budget to quadruple the size of the IT team. So what are you left to do but tap the folks with the ideas?

29:51 Phil Fersht

Yeah, the role of the CIO is going through an unbelievable amount of change, and I think this is something where successful CIOs will embrace new ways of doing things versus the ones—I had one on a panel recently who literally said, "I've given up training my staff on the next big thing because something else is going to come along in six months' time."

30:15 Ian Barkin

Right. You should also close the patent office because everything—those sorts of things are just—I mean, that's fatigue and frustration, but that's not a strategy.

30:28 Phil Fersht

Well, it's a slow disruption. I mean, I took out a car insurance policy last year. I spent quite a lot of money for it. And then literally about three months ago, one of their competitors just reached out to me out of the blue and said, "We can offer you the same policy for half the price."

And I'm like, "Wow, really?" And then I started talking to them a bit more. They're both well-known brands, so I went out with them. They've got way more focused on their cost infrastructure. They can deliver the same policies at a much lower cost. And they're also smart enough to figure out how to sell to people like me using really cool analytics and data to figure that out.

And I'm thinking, this is just a natural evolution. The smarter businesses who've become slicker, they've figured out how to leverage this technology better, don't have these clunking great spaghetti code infrastructures following them around and cost following them around, are the ones who are going to win out over the long term.

31:26 Ian Barkin

I feel like this podcast is just for you to announce that you spend money on things and you want all your vendors to offer you big discounts. I mean, that's brilliant.

31:35 Phil Fersht

Well, yeah, I'm going to ask for the HFS discount on your book next. But yeah, I got one for free and I got it signed as well.

31:44 Ian Barkin

You got the HFS discount. You have the book at home already. So you're welcome.

31:46 Phil Fersht

I think I got my signed copy.

31:48 Ian Barkin

That's right.

31:51 Phil Fersht

Very happy about that.

31:55 Ian Barkin

That makes it worth either something or less than nothing.

31:59 Phil Fersht

This has been great. Well, thank you very much for joining me today. It's great to hear about citizenry. And we'll have you—I think, Ian, you're going to join us at our summit in New York in a few weeks. So we’ll talk more then. And hopefully good luick with sales of your new book and I really hope you get this citizenry idea on the map this time.

32:19 Tom Davenport

Yeah, fortunately, there's nothing else happening in the world, so people can just focus on our book.

32:24 Ian Barkin

Absolutely. Literally nothing happening in November.

32:28 Phil Fersht

Yeah, I'm supposed to have a post-election panel at this summit, and I'm like, no, let's just plan that one.

32:40 Tom Davenport

I hope it's not the day after the election because I think things may be going on for quite a while.

32:49 Phil Fersht

No, I think most people are not doing anything the day after the election.

32:51 Phil Fersht

Thanks, everyone.

32:53 Ian Barkin

Well, thanks for having us, Phil.

32:58 Phil Fersht

Thanks, Tom. Thanks, Ian. Really enjoyed the conversation.

33:01 Ian Barkin

Thank you.

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